**1 1** FEB 1949

The Honorable Sam Rayburn Speaker of the House of Representatives NEW REWEWDATE Washington 25, D. C.

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Dear Mr. Speaker:

There is submitted herewith the draft of a proposed bill "To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes."

This proposed legislation is substantially the same as H.R. 5871 which was introduced in the Eightleth Congress and unanimously reported out by the House Armed Services Committee. However, due to lack of time, the bill was not called up on the floor. It was elso reported out unenimously by the Senate Armed Services Committee in the Eightieth Congress, and passed the Senate on 21 June 1948. The favorable action of the House Armed Services Committee is reported in House Report No. 1853, dated 4 May 1948.

The purpose of the bill is to grant to the Central Intelligence Agency the authorities necessary for its proper administration. The bill deals with procurement, travel, allowences and related expenses, general authorities, and methods of expenditures of appropriated funds. Further, it protects the confidential nature of the Agency's functions and makes provisions for the internal administration of the Agency. In almost all instances, the powers and authorities contained in the bill already exist for some other brench of the Government, and the bill merely extends similar authorities to the Central Intelligence Agency.

This proposed bill has been resubmitted to the Bureau of the Budget, and we have been advised that they have no objection to its presentation to the Congress in its present form.

Sincerely yours,

R. H. HILLENKOETTER
REAR ADMIRAL. USN
TRECTOR OF CENTRAL INTELLIGENCE

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